

BOARD OF DIRECTORS MEETING

July 9, 1984

Commences at 9:30 A.M.

**LEGAL  
SERVICES  
CORPORATION**

733 Fifteenth Street, N.W., Washington, D.C. 20005



Fretz of the National Senior Citizens Law Center; and Gail Fogarty, Counsel with the Subcommittee on Courts, Civil Liberties, and the Administration of Justice in the House of Representatives.

Mr. Ferrara called the question. Mr. Santarelli seconded it, and all Board members voted in favor of adopting the proposed by-laws. Mr. Swendiman stated that the by-laws are effective upon adoption.

After a fifteen-minute recess, the Board reconvened. Mr. Ferrara asked to be recognized for the purpose of proposing a resolution relating to conflicts of interest and Board member disclosures.

WHEREAS, the members of the Board of Directors of the Legal Services Corporation are required by Section 1601.11 of the Corporation By-laws to make certain disclosures of outside interests; and,

WHEREAS, the Board is desirous of avoiding conflicts of interest, impropriety, and even the appearance of impropriety; and,

WHEREAS, the Board owes a fiduciary duty to the Corporation to manage the Corporation's business in a proper manner; and,

WHEREAS, the Board recognizes that the provision of financial assistance to qualified programs which furnish legal assistance must be kept free from personal or emotional preferences or prejudices,

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Legal Services Corporation hereby adopts the following policies respecting disclosure of outside interests and representation of adverse parties by a member of the Corporation's Board of Directors and legal services lawyer:

1. Pursuant to Section 1601.11 of the Corporation's By-laws, each Director upon qualifying as a member of the Board of Directors and annually thereafter shall file with the Corporation Secretary on a form supplied by the Corporation a complete list of organizations with which the Director or member of the Director's immediate family is or has been, within the past two years, associated.

2. Whenever the Board considers any matter or policy specifically affecting a recipient, and said recipient, during the term of any Board member, represented a party adverse to that Board member or a client of that Board member, said Board member shall disclose the fact of such adverse representation promptly to the Corporation Secretary in writing and publicly at the Board or Committee meeting at which such matter is to be discussed, and if appropriate, shall not participate in the discussion, recommendation, or vote.

3. Whenever a Board member and an employee of a recipient represent adverse parties, full disclosure of the Director's membership and of the other lawyer's employment by a recipient shall be made to each client, to the opposing party, and to the court, in addition to notifying the Corporation Secretary in writing.

4. Whenever a Board member knows that a lawyer with whom the member is associated is representing a party adverse to a client of a recipient, the member shall make every reasonable effort to avoid discussing the case or matter with the lawyer for either side.

5. Whenever the Board considers any matter or policy specifically affecting a recipient or class of recipients with which a Board member has been associated as defined by Section 1601.11(a) of the Corporation By-laws, the member shall disclose publicly at the Board meeting at which such matter is considered the fact of the association, and shall not participate in the discussion, recommendation, or vote.

6. Malfesance in office, as used in Section 1601.12 of the Corporation By-laws, shall include but not be limited to a Board member's knowing and willful making of false, inaccurate, incomplete, or misleading disclosures required under Section 1601.11 of the By-laws, or a Board member's knowing and willful participation in or encouragement of any activity which is in contravention of any of the provisions of the Legal Services Corporation Act or regulations, or any law of the United States.

Mr. Frankum seconded the motion. Mr. McCarthy called the question, and the Board adopted the resolution unanimously.

James Streeter, the Director of the Office of Government Relations, addressed the Board. He stated that eleven nominees for the Legal Services Corporation Board of Directors had been reported out of the Senate Labor and Human Resources Committee on May 2. Ten were reported out with the recommendation that they be confirmed, and one was reported out with no recommendation. The House Appropriations Subcommittee has marked up the Corporation's appropriation for the upcoming year. Streeter noted that that subcommittee had granted the full amount in the budget request but had retained the restrictions on the authority of the Board to change funding. The full House Appropriations Committee would meet the following week.

All hearings in the four committees with jurisdiction over the Corporation have been completed. There is little possibility of a reauthorization bill being reported out. Mr.